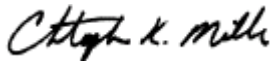


**ROSEVILLE**  
**REQUEST FOR COUNCIL ACTION**

Date: 03/28/16  
Item No.: 13.b

Department Approval

City Manager Approval



Item Description: Approve Amendments to the 2015 Budget

**BACKGROUND**

The City annually adopts budgets on the basis set forth by State Statute, and generally accepted accounting principles. Although the City adopts a single all-encompassing budget, additional measures are necessary to show that all expenditures within the General Fund and other selected Operating Funds are within budget appropriations when presented in the annual financial statements.

The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) has been established at the fund level as opposed to individual programs or line-items. If the expenditures exceed the *total* fund budget as presented in the financial statements, a budget amendment must be shown.

These types of year-end adjustments are typical for local governments like Roseville given the size and scope of our operations. Rather than making potentially numerous budget adjustments throughout the year and incur the administrative costs of monitoring the budget on a regular basis, it is customary to reflect the changes in one all-encompassing adjustment. The year-end budget adjustments typically reflect reallocated or additional costs that are offset by unbudgeted grants or donations, fees, or other revenues.

The following amendments to the 2015 Budget are submitted for Council consideration:

<b>Fund</b>	<b>Expense</b>	<b>Additional Amount</b>
Communications	Capital Outlay (a)	\$55,000

Comments:

- a) Subsequent to the adoption of the original budget, the City Council authorized the use of the Communications Fund to finance the installation of facility security and internet access systems in the new park buildings. The additional expense was offset by cash reserves funded by cable franchise fees.

28 The amendment shown above is reflected in the attached excerpt of the 2015 Financial Statements  
29 (unaudited). The amendment has been incorporated in the column marked 'final' budget.

30 **POLICY OBJECTIVE**

31 Where applicable, budget amendments are made to comply with State Statutes.

32 **FINANCIAL IMPACTS**

33 There are no current year financial impacts. The budget amendments are necessary to demonstrate that  
34 previously incurred expenditures are within the adopted budget. Any impacts on expenditure trends are  
35 incorporated into future budgets.

36 **STAFF RECOMMENDATION**

37 Staff has prepared the requested budget amendment and considers them reasonable, and in accordance  
38 with applicable State Statutes. It is recommended that the budget amendment be approved. The City's  
39 Auditors are tentatively scheduled to make a formal presentation on the 2015 financial statements at the  
40 June 13, 2016 Council Meeting.

41 **REQUESTED COUNCIL ACTION**

42 Motion to approve the year-end amendments to the 2015 Budget.

43

Prepared by: Chris Miller, Finance Director  
Attachments: A: Excerpt of the 2015 financial statements (unaudited)

44

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Cable franchise taxes	445,000	445,000	436,851	(8,149)
Investment income				
Interest earned on investments	3,000	3,000	4,618	1,618
Increase (decrease) in fair value of investments	-	-	633	633
Miscellaneous Revenue	-	-	-	-
<b>Total Revenues</b>	<b>448,000</b>	<b>448,000</b>	<b>442,103</b>	<b>(5,897)</b>
<b>EXPENDITURES</b>				
Current				
General government				
Personal services	244,000	244,000	220,992	23,008
Supplies and materials	2,500	2,500	1,706	794
Other services and charges	204,825	204,825	220,401	(15,576)
Capital outlay	90,000	145,000	148,984	(3,984)
<b>Total Expenditures</b>	<b>541,325</b>	<b>596,325</b>	<b>592,084</b>	<b>4,241</b>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(93,325)	(148,325)	(149,981)	(1,656)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(14,000)	(14,000)	(14,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>-</b>
Net Change in Fund Balance	(107,325)	(162,325)	(163,981)	(1,656)
FUND BALANCE, January 1	584,645	584,645	584,645	-
FUND BALANCE, December 31	477,320	422,320	420,664	(1,656)

The notes to the required supplementary information are an integral part of this statement.